

No. 12849.

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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PATTERSON-BALLAGH CORPORATION, a corporation, and  
BYRON JACKSON Co., a corporation,

*Appellants,*

*vs.*

PERRY M. MOSS and PHOEBE E. MOSS,

*Appellees.*

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## OPENING BRIEF FOR APPELLANTS.

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## OPENING BRIEF FOR APPELLANTS.

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This is an appeal from the amended interlocutory judgment [R. 91] of the District Court for the Southern District of California, Central Division, adjudging Moss patent 2,190,880, issued February 20, 1940, valid as to claims 2 and 7 and infringed as to claim 2 by appellants, defendants below. Said claims are the only claims in issue and no cross-appeal has been taken by appellees from the amended interlocutory judgment adjudging that the appellants have not infringed claim 7. The question of the validity of said claims and the infringement of claim 2 by appellants is raised by the notice of appeal [R. 94].

## **Jurisdiction.**

Jurisdiction to review the amended interlocutory judgment of the District Court is conferred by Section 1292(4) of Title 28, U. S. C. The amended interlocutory judgment was entered on October 16, 1950 [R. 93]. The notice of appeal was given and filed on November 14, 1950 [R. 94]. This is within the thirty-day period provided for in Rule 73 of the Rules of Civil Procedure (Title 28, U. S. C., Rule 73(a)), and within which a notice of appeal must be filed.

Jurisdiction over the subject matter was conferred upon the court below at the time the action was filed by Section 41(7) of Title 28, U. S. C. and Section 371(5) of Title 28, U. S. C. Jurisdiction of District Courts of all actions arising under the patent laws is now conferred by Section 1338 of Title 28, U. S. C., which has superseded said sections. Jurisdiction over the defendants was obtained by the provisions of Section 109, Title 28, U. S. C., now superseded by Section 400(b) of said Title.

## **Statement of the Case.**

The action was originally filed by the patentee Perry M. Moss against Patterson-Ballagh Corporation, a California corporation. Subsequent to the filing of the action and prior to the trial, the patentee Moss assigned said patent, together with the right to recover for past infringement, to his wife Phoebe E. Moss by instruments in writing dated January 16, 1948, Pltfs. Ex. 14 [R. 530], and dated February 4, 1948, Pltfs. Ex. 15 [R. 532]. The patentee Perry M. Moss, notwithstanding said assignments, has been carried as a nominal plaintiff and is one of the appellees herein.

Subsequent to the filing of the action, Byron Jackson Co., a Delaware corporation, with a principal place of business at Los Angeles, California, acquired all of the stock of Patterson-Ballagh Corporation and said corporation was dissolved effective December 3, 1946 [R. 5], Byron Jackson Co. assuming the liabilities for infringement of the Moss patent in suit and being made a party-defendant. Patterson-Ballagh Corporation remained as a defendant and is an appellant herein. The issues as tried were framed by the substituted, amended and supplemental complaint [R. 3] and defendants-appellants' answer thereto [R. 9]. Bryron Jackson Co., subsequent to the dissolution of Patterson-Ballagh Corporation, continued to manufacture and sell devices which are charged to infringe claims 2 and 7 of the Moss patent. For all practical purposes the appellant is Byron Jackson Co. and the appellee is Phoebe E. Moss.

The issues raised by the pleadings are the validity of claims 2 and 7 of the Moss patent, the infringement thereof, and laches by the appellees in bringing the action. This latter defense, raised by paragraph XXV of the answer [R. 15] was withdrawn at the trial. The issues of validity and infringement were considered by the trial court and determined adverse to appellants. They are the primary issues presented on appeal.

#### **Patent in Suit.**

The patent in suit Ex. 1 [R. 517] relates to a wire line guide or controller for oil well rigs. In drilling oil wells and also in operations subsequent to completion of the wells, it is necessary to lower strings of pipe and other material into the well bore and also to lift the same therefrom. This is accomplished by taking the free end of a

wire cable, which has been wound around a cylinder drum on the derrick floor, and reeving it through a pulley on the crown block located at the top of the derrick and thereafter attaching the free end to a traveling block which is in turn attached to the object to be raised or lowered into the well bore, for example, a section of drill pipe. Such operations admittedly were common long prior to the invention of the patent in suit. One of the problems involved, particularly when the wire cable was not under tension, was the lateral whipping of the cable between the crown block and the cylinder drum. This lateral whipping prevented the cable from being truly wound around the drum, causing chafing and breaking of the wire strands of the cable, which is expensive. The elimination or substantial elimination of this lateral whipping is what the patent in suit is directed to, as clearly shown by lines 3-24, col. 1, p. 1 of the patent in suit [R. 517].

To accomplish this result, the patent in suit discloses in the drawings and describes in the specifications an elongated guide or controller, which is also called a spooler by the trade. In view of the fact that the trial judge has designated said devices as spoolers in his opinion [R. 20], we will hereafter so refer to them. The spooler, as shown by Fig. 3 of the Moss patent, and which is mounted 20 to 30 feet above the derrick floor, includes a pair of elongated semicylindrical iron shell sections 4 and having therein rubber bearing surfaces 6 which have an axial bore therein for the reception of the wire cable 2. Arms 17 fixedly attached to the spooler are provided, to which are attached bridles 15 and 16 which are reeved over pulleys 20 and to which are attached equal weights 21. The bridles and attached counterweights function to stabilize the spooler as to lateral motion. A hanging or suspension line 14 is

attached to an eye 13 at the top of the spooler and eccentric to the longitudinal axis of the spooler and with the other end being attached to a girt on the derrick.

The object of having the hanging or suspension line 14 attached as shown in Fig. 3 of the Moss patent is clearly explained in the specifications, p. 2, col. 1, lines 73-75, col. 2, lines 1-12, which read as follows:

“\* \* \* The shroud attachment is made in such a position in the rig that the suspended shell 4 will be in a position as to axially coincide with the slanting line 2 running from the top pulley P to the drum 3; that is so that the shell 4 and the cable line have a common coaxial position tangent to the drum. In other words, the draw-line shell 4 is hung with its center of gravity on the axis of a given line 2 and with its axis normally, that is while free, substantially coincident with the axis of the introduced cable body. In such position the shell 4 is balanced to tilt in a vertical plane on a transverse axis through its center of gravity and does not impose noticeable resistance on the line to hold its own obliquity.”

Claims 2 and 7 in issue are combination claims. With the exception of the eye 13 and the hanging line 14 causing the spooler to be suspended as described above, all of the elements described in the specifications and covered by the claims in issue were admittedly old in the art and in use in the operation of spoolers prior to the Moss invention. The trial court determined in its opinion [R. 52] that Moss conceived his invention on May 16, 1936 and reduced it to practice in November, 1936 [R. 53]. The application for the patent in suit was filed January 21, 1938.



The court in considering whether there was invention in the combination claims, applied the test stated in the opinion [R. 23], *i.e.*, whether there was any invention in hanging a spooler at the top.

### Alleged Infringing Spoolers.

The spoolers manufactured and sold by appellants and charged to be infringed are shown in Pltfs. Ex. 10-E [R. 524]. The appellants' spoolers, as shown by Ex. 10-E, are manufactured in various lengths. The 2-section guide referred to in Ex. 10-E contains two interchangeable rubber filler blocks and the length of the shell is in accordance. The 4-section spooler contains four interchangeable rubber filler blocks and the 6-section spooler contains six interchangeable rubber filler blocks. The lengths of the spooler shells are in accordance with the number of rubber filler blocks therein. The trial court in finding of fact IX [R. 85] found that all of the spoolers shown in Ex. 10-E, regardless of the number of interchangeable rubber filler blocks therein or the length of the spoolers, infringed claim 2 of the Moss patent.

The appellant Patterson-Ballagh Corporation in July, 1936, began the manufacture and sale of spoolers substantially the same as those shown in Ex. 10-E. Said spoolers are shown in the photograph Ex. H [R. 555]. They are substantially the same as the spoolers shown in Fig. 2 of the drawings of Reed patent 2,238,398 [R. 518] and under which Patterson-Ballagh Corporation was licensed prior to any knowledge of Moss or the Moss invention, said license being issued in May, 1937 [R. 361]. The manufacture and sale by Patterson-Ballagh Corporation of spoolers as shown in Ex. H and the license taken under

the Reed application and subsequently issued patent, caused the trial court to state in its opinion [R. 23]:

“\* \* \* The spooler originally manufactured by the defendants is similar to that shown in the Reed patent; there is no contention by plaintiffs that this device, with the eye for the hanging line in the middle, infringes their patent.

“Counsel in their argument have stated, and the Court agrees, that the Reed application shows each and every element of the Moss patent, except that in the Moss patent the suspension, or hanging line of the spooler is attached to an eye at the top instead of, as in the Reed patent, an eye at the middle, or longitudinal center. \* \* \*”

Appellant Patterson-Ballagh Corporation, without knowledge of Moss or the invention covered by the Moss patent in suit, in July, 1937 [R. 391] placed an additional eye adjacent the top of its spoolers and eccentric to the longitudinal axis thereof and attached a hanging line thereto. The spoolers manufactured and sold by appellants subsequent to July, 1937, and until October, 1946, otherwise continued to be substantially the same as the spoolers shown in Pltfs. Ex. 26 [R. 541].

#### **Findings and Conclusions of the Trial Court.**

The trial court, after proposed findings and conclusions had been submitted by counsel for appellees [R. 72] and after objections thereto had been made by counsel for appellants [R. 65], filed its memorandum on said objections [R. 79] and thereafter entered its findings of fact and conclusions of law [R. 82]. In its findings and conclusions dated September 15, 1950, the court found in finding VII [R. 84] that Moss was the sole inventor of

the subject matter covered by claims 2 and 7 of the Moss patent and in finding IX [R. 85] that the appellants had manufactured and sold devices containing all of the structural elements of claim 2 of said patent and with the knowledge and intent that the users thereof would hang the same so as to perform the functions specified in said claim. The conclusions of law [R. 86] held claims 2 and 7 valid in conclusion V and held claim 2 infringed in conclusion VII [R. 87]. In finding XIII [R. 86] the court reserved the questions of wilful infringement and attorneys' fees until after the filing of the report of the special master and said reservation was incorporated into the amended interlocutory judgment, paragraph VII [R. 93]. The original judgment [R. 89] was signed by the court at the same time as the findings and conclusions, *i.e.*, September 15, 1950. Said judgment was subsequently amended [R. 91] and it is from this amended interlocutory judgment that the present appeal was taken.

### Questions on Appeal.

The questions involved in this appeal are:

1. Whether the spooler claimed in claims 2 and 7 of the Moss patent in suit constitutes invention and more specifically whether it is invention to suspend a spooler from an eye at the top of the spooler and eccentric to the longitudinal axis thereof by a line attached to the derrick so as to cause the spooler to assume a position that will axially coincide with the wire cable threaded through the spooler.

Raised by point 1 of appellants' concise statement of points under Rule 19(6) [R. 509] and by the appeal from the amended interlocutory judgment, including paragraph II thereof [R. 92, 94].



2. Whether the claims in issue sufficiently define the invention thereof as required by the provisions of 35 U. S. C., Section 33.

Raised by point 15 of concise statement of points under rule 19(6) [R. 512].

3. Whether the “2-section guide”, “4-section guide” and “6-section guide” manufactured and sold by appellants, either individually or collectively, infringe claim 2 of the Moss patent in suit, Pltfs. Ex. 1 [R. 517].

Raised by points 2 and 3 of the concise statement of points under rule 19(6) [R. 509, 510] and by appeal from the amended interlocutory judgment, including paragraph III thereof [R. 92, 94].

4. What is the date of the patentee Moss’ reduction to practice of the invention covered by the claims in issue and was said patentee diligent in reducing said invention to practice?

Raised by points 10, 11 and 12 of concise statement of points under rule 19(6) [R. 511].

5. Can the trial court reserve the issues of wilful infringement and attorneys’ fees, as provided for in paragraph VII of the amended interlocutory judgment, which amended interlocutory judgment is otherwise final except as to an accounting?

Raised by point 17 of the concise statement of points under rule 19(6) [R. 513] and by the appeal from the amended interlocutory judgment, including paragraph VII thereof [R. 93, 94].

### Specification of Errors Relied Upon.

Appellants rely on the errors specified in their concise statement of points under rule 19(6) [R. 509-513]. We have consolidated and restated these errors in furtherance of the argument of the case hereinafter presented.

1. The district court erred in holding the patent in suit, and particularly claims 2 and 7 thereof, good and valid in law and that Perry M. Moss was the sole inventor thereof (finding VII [R. 84], conclusion V [R. 87], judgment paragraph II [R. 92]) because:

(a) It was obvious to one skilled in the art to which the patent pertains, including a practical man in the oil fields, to suspend a spooler from an eye at the top of the spooler eccentric to the longitudinal axis thereof so that the suspended shell would be in a position so as to axially coincide with the wire line threaded through the spooler [point 5, concise statement of points, R. 510];

(b) Spoolers manufactured, sold and used, prior to the date of invention of the patentee Moss, by J. E. Reed, the Reserve Oil Company and Patterson-Bal-lagh Corporation, included the subject matter of claims 2 and 7 under the scope given said claims by the trial court [points 6, 8 and 14, concise statement of points, R. 510-512];

(c) Smith patent 2,211,299, Defs. Ex. E [R. 551] has a constructive date of invention prior to the date of invention of the patentee Moss and describes and claims a hanging or suspending line attached to eyes eccentric to the longitudinal axis of the spooler dis-

closed therein to cause the same to hang substantially without load of the spooler on the wire cable threaded through it [point 13, concise statement of points, R. 512];

(d) The patentee Moss failed to comply with the provisions of Section 33 of Title 35, U. S. C., in that the patent fails in the specifications to sufficiently disclose and describe the invention claimed and fails in claims 2 and 7 thereof to definitely claim the invention [point 15, concise statement of points, R. 512].

2. The district court erred in holding claim 2 of the patent in suit to be infringed by appellants' spoolers as pictured in Pltfs. Ex. 10-E [R. 524; finding IX, R. 85; conclusion VII, R. 87; judgment paragraph III, R. 92], because:

(a) Appellants' 2-section, 4-section and 6-section spoolers pictured in Pltfs. Ex. 10-E [R. 524] had such an angle of inclination when suspended by the hanging lines thereof that they did not axially coincide with the wire cable threaded therethrough nor were said spoolers substantially without load of the spoolers on said wire cable, as included in claim 2 [point 4, concise statement of points, R. 510];

(b) The spooler shown in Defs. Ex. K [R. 568] and used in a Reserve Oil Company derrick as early as August 5, 1936 [R. 386, 387] was suspended by the hanging line shown in Ex. K, and prior to the date of invention of the patentee Moss, which would preclude claim 2, and particularly the word "substantially" therein, from being given a scope which would cause appellants' spoolers to infringe [point 6, concise statement of points, R. 510];

(c) Smith patent 2,211,299, Defs. Ex. E [R. 551], having a constructive date of invention prior to the date of the Moss patent, discloses hanging lines attached to the top of a spooler which has a wire cable threaded therethrough and which hanging lines function to support the spooler and to cause the same to hang at such an angle of inclination with respect to a wire cable threaded therethrough as to preclude claim 2, and particularly the word “substantially” therein, from having a scope which would cause appellants’ spoolers to infringe [point 13, concise statement of points, R. 512];

(d) John E. Reed, an employee of the Union Oil Company, in the early part of 1936 and prior to the date of invention of the patent in suit, caused to be manufactured and used in an oil derrick of Belridge No. 20 well of the Union Oil Company a spooler which was suspended by hanging lines as shown in Defs. Ex. B [R. 546] and which hanging lines functioned to support the spooler and to cause the same to have an angle of inclination relative to the wire cable threaded therethrough which would preclude claim 2, and particularly the word “substantially” therein, from having a scope which would cause appellants’ spoolers to infringe [point 14, concise statement of points, R. 512];

(e) The appellants, although manufacturing and selling spoolers, as pictured in Pltfs. Ex. 10-E, do not use the same in derricks in conjunction with wire cables so as to perform the function specified in claim 2 and made an integral part thereof [point 3, concise statement of points, R. 510].

3. The district court erred in holding in its opinion dated February 21, 1950 [R. 53] that the patentee Moss reduced the invention of claims 2 and 7 to practice in November, 1936; and further holding in its opinion [R. 54] that there was no lack of diligence by the patentee Moss in reducing the invention to practice subsequent to Moss' date of conception, found by the court to be May 16, 1936 [R. 52], because:

(a) The construction of the Moss spooler was not completed in November, 1936 and was not tested in a derrick to perform the function set forth in claim 2 until April 5, 1937 [points 11 and 12, concise statement of points, R. 511];

(b) The patentee Moss between the date of conception as found by the court, *i. e.*, May 16, 1936, and November, 1936 made no attempt whatsoever to reduce the invention to practice and thereafter from November, 1936 to April 5, 1937 made no attempt to test the Moss spooler under operative conditions to determine whether said spooler would perform the functions specified in claim 2 [points 10, 11 and 12, concise statement of points, R. 511].

4. The district court erred in its opinion dated February 21, 1950 in apparently holding [R. 56] that the length of the hanging line affected the angle of inclination of defendants-appellants' wire line spooler or the spooler covered by claim 2 because it is obvious that a line from a spooler and at the top thereof eccentric to



the longitudinal axis which would cause the spooler to assume an angle of inclination from the vertical may be of any given length without affecting the angle of inclination [point 7, concise statement of points, R. 511].

5. The district court erred in apparently assuming in its opinion dated February 21, 1950 [R. 44, 45] that suggestions to Patterson-Ballagh Corporation to hang its spoolers from an eye at the top originated from those who had heard of or seen the Moss spooler because there is no testimony in the record nor any documentary or physical exhibits which would support any such assumption or holding of the trial court.

6. The district court erred in reserving in paragraph VII of the amended interlocutory judgment [R. 93] and in finding XIII [R. 86] the issues of wilful infringement and attorneys' fees because:

(a) Section 70 of Title 35, U. S. C. governs the power of the trial court to award treble damages for wilful infringement and to award attorneys' fees to the prevailing party. The evidence before the court, under the established law interpreting Section 70, compels a finding that there was no wilful infringement and that the court in its discretion should not award any attorneys' fees to appellees. It should be noted that the amended interlocutory judgment was entered before the decision of this court in *Park-In Theatres, Inc. v. Perkins et al.*, 190 F. 2d 137.

## ARGUMENT.

### The Disclosure of Moss Patent 2,190,880.

The patent in suit, Pltfs. Ex. 1 [R. 517], discloses in the drawings and specifications an elongated spooler 4 having bearings 6 therein which are preferably of rubber. Arms 17 are attached on each side of the shell and converge outwardly to bars 18 to which are attached side bridles. These side bridles 15 and 16 are reeved over pulleys 20 on the derrick. Counterweights 21 are attached to the ends of the side bridles. The rubber bearings are grooved at 7 to receive the wire line or cable 2 running from a pulley on the crown block to the cylinder drum 3 on the derrick floor.

It was common in the art prior to the Moss invention to use a rotary chain as a spooler [R. 107, 118, 315-321] for the purpose of endeavoring to eliminate the lateral whip from the wire cable. This chain spooler had the wire line threaded through the center link of the chain and to the ends of the chain were attached side bridles which were reeved over pulleys on the derrick and to the ends of which were attached counterweights, similar to the manner shown in Fig. 2 of the drawings of the patent in suit. These chain spoolers were not satisfactory because, although eliminating some of the vibrations of lateral whipping, they caused the wire cable to become frayed or broken and the metal parts thrown therefrom and the sparks created a danger to workers, as clearly stated by the trial court in its opinion [R. 22].

The patentee Moss, furthermore, did not contribute the elongated spooler to the art. Prior to the reduction to practice of the invention of the claims in issue, determined

by the court in its opinion [R. 53] to be November, 1936, the appellant Patterson-Ballagh Corporation had manufactured and sold elongated spoolers. One of these is shown in the photograph Defs. Ex. H [R. 555]. Spoolers, such as shown in Ex. H, were sold by Patterson-Ballagh Corporation to Reserve Oil and Gas Company in July, 1936, as shown by the orders and invoices Defs. Ex. I [R. 557-561] and Defs. Ex. J [R. 562-567]. The witness J. C. Ballagh produced said exhibits and identified them and testified as to the manufacture and sale by Patterson-Ballagh [R. 380-383]. Said witness also identified a photograph of one of these spoolers hung in the derrick of a well of the Reserve Oil Company [R. 385, 386], which photograph is in evidence as Defs. Ex. K [R. 568].

Spoolers as shown in Ex. K had the hanging line attached to an eye at approximately the longitudinal middle thereof when sold. However, as used by the Reserve Oil Company, as shown in Ex. K, the spooler was suspended by hanging lines attached to eyes at the top of the spooler. The patentee Moss admittedly saw a Patterson-Ballagh spooler in a well derrick just prior to Christmas in 1936 and his description of the same is in accordance with the testimony of Mr. Ballagh and Ex. K. The patentee Moss admitted [R. 246] that said spooler was substantially the same as that shown in Fig. 2 of the drawings of the Reed patent [R. 518].

The application for the patent in suit was filed January 21, 1938 and in view of Moss' knowledge of the chain spooler with accompanying bridles and counterweights and Moss' knowledge of the Patterson-Ballagh elongated spooler, Ex. K, having rubber bearings therein, he neces-



sarily included in claim 2 a suspension means or hanging line connected to the shell body at a point eccentric to the longitudinal axis and adjacent the top of the spooler. He also included therein suspension means, *i. e.*, a hanging line, to support the spooler in a position inclined from the vertical so that when suspended it would be substantially parallel and contiguous to the wire cable. No attempt was made to broadly claim a spooler having an eye at the top eccentric to the major axis and with a hanging line attached thereto and with the other end attached to a derrick to cause the spooler to assume an angle of inclination from the vertical.

That claim 2 as worded was in accordance with the contribution which the patentee thought he made to the art is clearly shown by reference to the language of the specifications, p. 2, col. 1, lines 3-10, Pltfs. Ex. 1 [R. 517], reading as follows:

“An important feature of this invention is to provide a line controller or guide having an elongate bearing effect and which is so mounted in the rig that the axis of the free bearing is substantially coincident or identical with that of the slanting line or cable from the drum 3 so that the line can move in either direction endwise with a minimum of pressure from the controller. \* \* \*”

and p. 2, col. 1, lines 73-75 and col. 2, lines 1-4, reading as follows:

“\* \* \* The shroud attachment is made in such a position in the rig that the suspended shell 4 will be in a position as to axially coincide with the slanting line 2 running from the top pulley P to the drum 3; that is so that the shell 4 and the cable line have a common coaxial position tangent to the drum.  
\* \* \*”

Counsel for the appellees made it clear during the trial and under questioning by the court that the suspension means or hanging line, attached to an eye adjacent the top of the spooler and eccentric to the major axis, functioned to suspend the spooler at an inclination which caused it to be as parallel and contiguous to the wire line as it could be gotten [R. 467]:

“The Court: Just what do you mean by the words ‘normal,’ ‘substantially,’ and all of those words?

Mr. Joseph F. Westall: ‘the normal position with the bore substantially parallel.’

The Court: What does that mean?

Mr. Joseph F. Westall: As parallel as they can get it with the bore through there.

The Court: Then, it isn’t parallel? Is it or isn’t it?

Mr. Joseph F. Westall: It is substantially so, as nearly as can be gotten.”

From a reading of claim 2 it is apparent that it is a combination claim in which all of the other elements, except the eye at the top and the manner in which the spooler was hung, were admittedly old in the art. The claim reads as follows:

“2. A draw works drum line controller body having an elongate, line receiving bore, a pair of opposite lateral control devices each including parts diverging toward the opposite ends of and connected to said body to stabilize it against vibration on its minor axis in the plane of said devices, and a suspension means connected to said body at a point eccentric to the major axis and adjacent to one end of the body to support the body in normal position with the bore substantially parallel and contiguous

to the line for reception thereof substantially without load of the body on the line when this is in a vertical plane transverse to the axis of the draw works drum.”

The contribution which the patentee Moss stated in his specifications he made to the art is not claimed separately. It is claimed in combination. Being included in the combination, it is subject to the test of invention of a combination claim. In *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 95 L. Ed. 162, 340 U. S. 147, the Supreme Court of the United States in holding a patent invalid, which had been held invalid by the trial court and affirmed on appeal by the Court of Appeals for the Sixth Circuit, stated at p. 165:

“\* \* \* In the third place, if the extension itself were conceded to be a patentable improvement of the counter, and the claims were construed to include it, the patent would nevertheless be invalid for overclaiming the invention by including old elements, unless, together with its other old elements, the extension made up a new combination patentable as such. \* \* \*”

The test of invention laid down by the Supreme Court in said case to govern combination claims was clearly stated at p. 166:

“\* \* \* The conjunction or concert of known elements must contribute something; only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable. \* \* \*”

The trial court has made no finding applying the standard test of invention as to combinations laid down by

the Supreme Court. It did not consider whether the combination was anything more *in toto* than the usual results of uniting elements old in mechanics. The court treated the invention not as the invention of a combination claim but as stated in the opinion [R. 23]: “ \* \* \* the question before us is whether Moss’ hanging line at the top constitutes invention.” The lower court having failed to apply the proper test of invention to a combination claim, this court in accordance with the decision of the Supreme Court in the *Great Atlantic & Pacific Tea Co.* case should review the evidence to determine whether invention is present regardless of the finding of validity of the patent and particularly where no specific finding has been made as to what the Moss invention actually is.

No contention is made by appellees that the admitted prior art elements comprising a part of combination claim 2 function in any different manner than they would individually function, for example, in the prior art chain spooler or in the Patterson-Ballagh spooler as shown in Ex. K. The only factor which would cause the combination to meet the test of invention set forth in the *Great Atlantic & Pacific* case would be that the inclusion in the claim of a hanging eye at the top and suspended so as to cause the spooler to assume an angle of inclination substantially parallel to the wire line would cause the complete claim to exceed the sum of its parts.

It is the position of appellants that not only was it obvious to suspend a hanger from an eye adjacent the top in the manner described in the claim but that a spooler or any other object having an eye at the top would necessarily so incline regardless of whether it was or was not in the combination of claim 2.

## Obviousness of the Invention of the Claims in Issue.

The patent statutes of the United States were not passed for the purpose of protecting an alleged invention which is nothing more than the exercise of mechanical skill and which would be obvious to anyone familiar with the art relating to the invention. The Supreme Court of the United States has frequently so stated. In *Saranac Automatic Mach. Corp. v. Wirebounds Patents Co.*, 282 U. S. 704, 713, 75 L. Ed. 634, 639, the court in discussing mechanical skill and the question of invention stated:

“\* \* \* It was ‘but the display of the expected skill of the calling, and involves only the exercise of the ordinary faculties of reasoning upon the materials supplied by a special knowledge, and the facility of manipulation which results from its habitual and intelligent practice.’ *Hollister v. Benedict Mfg. Co.*, 113 U. S. 59, 72, 73, 28 L. ed. 901, 905, 906, 5 S. Ct. 717; *Concrete Appliances Co. v. Gomery*, 269 U. S. 177, 70 L. ed. 222, 46 S. Ct. 42; *Aron v. Manhattan R. Co.*, 132 U. S. 84, 90, 33 L. ed. 272, 275, 10 S. Ct. 24.”

See also:

*Atlantic Works v. Brady*, 107 U. S. 192, 200, 27 L. Ed. 438.

This court has frequently followed this rule of law. In *Rip Van Winkle Wall Bed Co. v. Holmes*, 15 F. 2d 950, this court, in reversing the judgment of the lower court holding the patent valid and infringed, stated at pp. 951, 952:

“\* \* \* The only novel feature that we can discern is the location of the bed on the panel. The bed



is so arranged that the hinged door may be opened or closed when the bed is in the room for use, and this arrangement likewise permits the bed to swing in a narrower recess than if attached farther out on the pivoted door. But, having in view all that is old and open to the public, it seems to us that it required nothing beyond the exercise of ordinary mechanical skill to determine the location or position of the bed on the pivoted panel that would produce the best results. The effect of placing the bed in one position or another would seem apparent even to the casual observer. (Citing *Atlantic Works v. Brady*, *supra*.)”

To the same effect see:

*Wilson-Western Sporting Goods Co. v. Barnhart*,  
81 F. 2d 108 (9 Cir.).

Appellants by the answer, paragraph XIII [R. 10, 11], raised the issue of the obviousness of the alleged invention and whether the same rose to the dignity of invention. This defense was urged at the trial and commented on by the court in its opinion [R. 42-45]. No specific finding or conclusion covered this defense. The determination of the court in its opinion that it would not be obvious to one skilled in the art, including a practical oil man, to hang a spooler from an eye adjacent the top thereof and eccentric to the major axis and by a hanging line which was so suspended as to cause the spooler to assume an angle of inclination substantially parallel to the angle of the wire cable is not supported by the evidence.

The patentee Moss [R. 273] in testifying as to a Patterson-Ballagh spooler which had a hanging eye at the top, as in Pltfs. Ex. 10-E, testified as follows:

“Q. In other words, you knew as a practical man in the oil field seeing that spooler, would know that it should be hung from the top, is that right? A. That is right. If they take that spooler out and throw it on the dirt floor, with the three hangers on it, any practical oil man would hang it from the top hanger.”

It will be noted that this testimony of the patentee and plaintiff Moss was volunteered. Subsequently and on re-direct examination he again so testified [R. 274]:

“Q. You say any practical man before your invention would know that should be hung from the top, particularly when they manufactured the Reed with it hung from the middle for a long time? A. That is right, any practical man would know the spooler wouldn't balance, and hung it from the top.”

The fact that the attorney for appellees [R. 274, 275] through leading questions endeavored to minimize the effect of the voluntary admission emphasized the truthfulness of the witness' voluntary statements.

Appellees' witness B. A. Horan, admittedly a practical oil man, and the only witness for appellees except the appellee Phoebe E. Moss to be called on rebuttal, testified [R. 492, 493]:

“Q. (By Mr. Caughey): My last question, from the knowledge you have in the oil fields, regardless of whether you saw a Moss spooler, if the problem was put up to you to hang something in a well, you would know it would be better to hang a wire line

rope from the top, wouldn't you? A. Would I know?

Q. Yes; as a practical oil man. A. If there is an eye there, yes; if there is no eye there, it would be in the middle."

No additional testimony should be necessary other than the foregoing testimony of the patentee and plaintiff Moss and the witness Horan to clearly establish the obviousness of the alleged invention.

Notwithstanding this unambiguous testimony, the court in its opinion [R. 42] construed it as meaning that a practical oil man subsequent to the Moss invention and having knowledge thereof would know that the spooler would hang better from the top. Such a determination was made even though the testimony of Moss was supported by the testimony of witnesses for the appellants.

Mr. Ballagh, president and one of the owners of Patterson-Ballagh Corporation, stated [R. 391] that the eye which was in the middle of Pltfs. Ex. K [R. 568] and to which the hanging line was attached was changed to the top of the spooler as shown in Pltfs. Ex. 10-E sometime in July, 1937. This change was made because of suggestions made to Mr. Ballagh by the operators in the field and during a trip which he made [R. 394]. At the same time the spoolers manufactured by Patterson-Ballagh Corporation were cast [R. 395]. Mr. Ballagh had never heard of Moss or Moss' invention at that time. In fact the first time he heard of Moss was in 1940 [R. 396]. During this interim Patterson-Ballagh Corporation continued to attach a hanging line to the eye at the top of the spooler as shown in Ex. 10-E.



The change made in the position of the eye to which the hanging line is attached was made only a short time after Moss had installed his first spooler in a well at Huntington Beach, California, on which he was working as a driller [R. 535]. Notwithstanding the testimony of Mr. Ballagh, including the fact that such suggestions were received in the Mid-Continent oil fields and thousands of miles away from California, the court, in discounting the testimony of Mr. Ballagh, assumed [R. 45]: “\* \* \* such suggestions originated not from those who found it obvious, but from those who had seen or heard of the Moss method of hanging at the top.” There is no testimony in the record to support any such assumption.

The fact that an elongated body if hung from the top and at a point from its longitudinal axis would hang at an angle inclined from the vertical was known and is known to anyone who has had experience with hanging objects and including oil well workers who constantly work with hanging weights. This knowledge and experience of practical oil men was undoubtedly what caused the patentee Moss and appellees' witnesses to testify as they did. Regardless of whether the object suspended was a spooler or a piece of pipe and whether the object was solid or had a central bore, or was of any given length or diameter, it would incline at an angle from the vertical if suspended from a point removed from the longitudinal axis. The witnesses were only using their mechanical skill and their common knowledge in determining that a spooler should be suspended from an eye at the top, as volunteered by Mr. Moss. The trial court clearly

erred in determining in its opinion that the Moss contribution to the art was not obvious and this determination or holding is contrary to the evidence.

The court in its opinion [R. 43, 44], in further discounting Mr. Ballagh's testimony, pointed to the fact that neither the application of the Reed patent Pltfs. Ex. 2 [R. 518] nor the abandoned application of Ballagh [R. 397] disclosed a hanging line attached to an eye at the top of the spooler shown therein. The trial court overlooked the fact that the spoolers shown in the Reed patent and the Ballagh application had as their principal object the stabilizing of the wire cable and preventing it from whipping. Mr. Ballagh so testified [R. 391]:

“Q. What did you put these guides out primarily for on these spoolers? What was their object? A. Their object was to stabilize the line and keep it from whipping.

Q. And did you send any instructions out with the earlier ones as to how they should be installed? A. I don't believe we did; I don't think we did.”

Reference to the Reed patent Pltfs. Ex. 2 and to the claims thereof shows that the spooler disclosed therein was for this purpose. The manner in which the spooler was suspended was incidental to the primary object of preventing the line from whipping. This primary object is specified as one of the objects of the Moss invention (patent, p. 1, col. 2, lines 9-23). The fact that the manufacturer of a spooler, after solving the major problem of whipping, changed the position of the eye from which the hanging line was suspended because of suggestions received from practical oil men in the field, who successfully operated the spooler to control whipping is what would be

expected. No machine or tool is perfect when invented or first manufactured. The fact that the manufacturer did not, when first selling the spooler, do the thing obvious to the practical man in the field and place the hanging eye at the top adds nothing to the alleged contribution of Moss. The trial court was not justified in discounting the obviousness of the Moss invention by reference to the delay in changing the point of suspension of the hanging line subsequent to manufacture [opinion, R. 44].

The defense that the invention consisted merely of the exercise of mechanical skill and that the same was obvious to a practical man in the oil fields, as set forth in the answer paragraph XIII [R. 10, 11] should have been sustained by the trial court upon the evidence and such evidence should compel this court to reverse the judgment as to validity, particularly when considered by this court and applied to the test of invention of a combination claim as laid down by the Supreme Court in the *Great Atlantic & Pacific Tea Co.* case.

The defense as set forth in paragraph XXII of the answer [R. 14], that the inclination of the line spooler caused by the attachment of the suspending line in the manner specified in claim 2 produces no unusual or unexpected result either separately or in the combination, should also be sustained because any object suspended in the manner covered by said claim would so incline even though not associated with the other elements of said claim.

In the light of the clear and uncontradicted evidence in this case, this court in applying the test of invention laid down by the Supreme Court as to combination claims should reverse the trial court upon the question of validity.

## Failure to Comply with Section 33 of Title 35.

Title 35, U. S. C., Section 33, provides that as a condition of securing a valid patent an applicant must not only point out and distinctly claim what he has invented but that he also must explain and describe the invention in the specifications so that one skilled in the art to which the invention appertains can construct the same and that when constructed it will be operative. The answer paragraph XXI [R. 14] raises this defense on the question of validity.

A defense based upon the provisions of Section 33 is not a technical defense. The Supreme Court of the United States has had occasion numerous times to call attention to the necessity of complying with the provisions of Section 33. In *Schriber-Schroth Co. v. Cleveland Trust Co.*, 83 L. Ed. 34, 39, 305 U. S. 47, the Supreme Court pointed out this necessity, stating:

“\* \* \* The statute, Rev. Stat. §4888, 35 U. S. C. A. §33, provides that the application which the inventor must file as a prerequisite to a patent shall contain ‘a written description of (his invention) . . . and of the manner and process of making, constructing . . . and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art . . . to . . . construct . . . and use the same; and in case of a machine, he shall explain the principle thereof, and the best mode in which he has contemplated applying that principle, so as to distinguish it from other inventions . . .’

“The object of the statute is to require the patentee to describe his invention so that others may construct and use it after the expiration of the patent and ‘to inform the public during the life of the patent of the

limits of the monopoly asserted, so that it may be known which features may be safely used or manufactured without a license and which may not.' *Permutit Co. v. Graver Corp.*, 284 U. S. 52, 60, 76 L. ed. 163, 167, 52 S. Ct. 53. It follows that the patent monopoly does not extend beyond the invention described and explained as the statute requires, *Permutit Co. v. Graver Corp.*, *supra* (284 U. S. 57, 76 L. ed. 165, 52 S. Ct. 53); that it cannot be enlarged by claims in the patent not supported by the description, *Snow v. Lake Shore & M. S. R. Co.*, 121 U. S. 617, 30 L. ed. 1004, 7 S. Ct. 1343; *cf.* *Smith v. Snow*, 294 U. S. 1, 79 L. ed. 721, 55 S. Ct. 279; \* \* \*

See also:

*General Electric Co. v. Wabash Appliance Corp.*,  
82 L. Ed. 1402, 1405, 304 U. S. 364;

*United Carbon Co. v. Binney & Smith Co.*, 87  
L. Ed. 232, 237, 317 U. S. 228;

*Consolidated Electric Light Co. v. McKeesport  
Light Co.* (also known as *The Incandescent  
Lamp Patent Case*), 40 L. Ed. 221, 159 U. S.  
465.

It is the contention of appellants that both the description in the specifications and the language of the claims fail to meet the requirements of Section 33 because the patentee has failed to disclose essential information covering the construction and operation of the spooler and has likewise failed to make the alleged invention definite in the claims in issue.

The specifications fail to state at what place in the derrick the hanging line, extending from the eye adjacent the



top of the spooler, should be attached in order that the spooler might assume an angle substantially parallel to the longitudinal axis of the wire cable extending from the crown block to the cylinder drum. That the place where the hanging line in the derrick is attached is important and governs the functioning of the spooler is clearly shown by the testimony of the patentee Moss. He testified [R. 236]:

“Q. And how far up on the derrick did you attach the hanging line? A. I went up the derrick just as far as it needed to go to make it line up with the drum on the drilling line. Some drums vary farther than others. That is why you have to go farther so they will line up and be perpendicular and take the friction off your spooler. All rigs are not alike.

Q. In other words, you attach the hanging line far enough up on the derrick so it was directly over the drum, is that correct? A. That is right, and far enough so that the spooler wouldn't have any friction on it.”

He further testified [R. 237]:

“Q. And you consider that of importance, do you? A. Yes, sir.

Q. Would this spool(er) as shown in your patent function if it was not hung in that manner? A. No, it wouldn't.”

The specifications make no mention of attaching the hanging line on the derrick over the cylinder drum even though the patentee admits that the spooler would not function unless hung in this manner. The patentee Moss,

further testifying as to the attaching of the hanging line on the derrick, testified [R. 240]:

“Q. Would there be more friction if it was attached to the sixth girt? A. Yes.

Q. And would there be still more friction if it was attached to the fifth girt? A. Yes, the spooler wouldn't function.

Q. Wouldn't function at all? A. No. If you pulled it back out of line, if you pulled it like there, your rubbers would burn out within two or three stands. If you pulled that back out of line, say, like that (indicating).

Q. Then you say it wouldn't function? A. No, sir.”

There is nothing in the specifications which teaches that the spooler will not function if it is attached to the fifth or sixth girt in the derrick or if it is pulled back out of line as described by the patentee in the foregoing testimony. The patentee has, therefore, failed to disclose or describe in the specifications the necessary information to enable one skilled in the art to construct a spooler so it will properly function.

The specifications fail to disclose or describe any dimensions of the spooler. The patentee Moss testified [R. 258, 259] as to the length of the spoolers constructed by him as follows:

“Q. Does the length of the spooler have any effect on the dampening of the waves? A. Well, yes and no.

Q. All right, let's assume— A. Pardon me.

Q. All right, go ahead. A. As I said, mine was four feet. That is what I decided on. One three feet would do practically the same in the length.

Q. Suppose it was a foot? A. A foot? Well, youl wouldn't get very good results. Like the old chain, you wouldn't get the waves ironed out. I never seen one demonstrated of a foot. That is my idea. But I don't think so."

By this testimony the patentee admits that the length of the spooler has an effect on the dampening of the waves of the wire cable which is one of the primary objects of the invention as stated in the specifications. Not only does the length of the spooler affect the dampening of the waves but it also affects the angle of inclination of the suspended spooler. Allen E. Hambly, called as a witness for appellants, produced a drawing Defs. Ex. L [R. 569] with the scale  $1/6''$  to  $1''$  and in Figs. 2 and 3 thereof showed Patterson-Ballagh 2-section and 4-section guides similar to those shown in Pltfs. Ex. 10-E and found to infringe. The 4-section spooler is 28 inches in length [R. 449] and the 6-section spooler is 44 inches in length [R. 450].

The testimony of Mr. Hambly [R. 448-450] clearly demonstrates and with mathematical precision that the length of a spooler is an important factor in determining the inclination of the suspended spooler from the vertical. In fact the difference in length of the 4-section and 6-section spoolers caused a difference in angle of inclination of 5 degrees. Similar computations made on the 2-section spooler of Patterson-Ballagh Corporation, as shown in Pltfs. Ex. 10-E and held to infringe [R. 451] and which had an overall length of 16 inches, shows a



difference in angular inclination from the 4-section spooler of 16 degrees, *i. e.*, the difference between 30 degrees from the vertical and 14 degrees from the vertical. The angles of inclination, as testified to by Mr. Hambly, were admitted to be correct by counsel for appellees [R. 446]:

“Mr. Joseph F. Westall: We have already stipulated or stated that we believe those angles are correct and that they are correctly figured. I had intended to bring a protractor here and figure it, although I don’t think it is material. We have agreed to it, so I don’t see why we should take the time to go over it.”

Counsel in this statement was referring to Defs. Ex. L [R. 569] and the angular measurements therein.

This testimony is conclusive that the length of a suspended body, *i. e.*, a spooler, and which is suspended at a point eccentric to its axis and at the top, materially affects the angle of inclination. Nevertheless there is nothing in the specifications or in the claims which in any way explains the importance of this length or the manner in which it will affect the angle of inclination of the spooler. Obviously two spoolers of unequal length, such as the 4-section and 6-section spoolers of Patterson-Ballagh Corporation, shown in Pltfs. Ex. 10-E, could not both be parallel or contiguous when suspended to the longitudinal axis of the wire line when the spoolers vary considerably as to angle of inclination.

The point from which the eye at the top of the spooler is offset from the major axis of the spooler is also important in so far as the angle of inclination is concerned. Mr. Hambly so testified [R. 455]:

“Q. (By Mr. Caughey): Mr. Hambly, the distance which the eye is offset from the axis, which

would be the wire rope going through the guide or spooler—is that important in so far as the angle of inclination is concerned? A. It is very important. It has a strong bearing on what angle the spooler will normally assume.

Q. In other words, the closer to the axis, you would have a less angle of inclination, is that right? A. That is right for the same length, for a spooler of the same length. A given length, the closer the point of connection of the hanging line to the eye is, the more nearly vertical the spooler will hang.”

There is no evidence to the contrary in the record. The specifications and claims are silent as to this important feature and give no dimensions as to diameter or the effect of varying the diameter of the spooler. The importance of varying the distance of the eye at the top of a spooler from the longitudinal axis was demonstrated to the court by Mr. Hambly [R. 455-457].

The specifications do not describe and the claims are not definite as to three important factors which govern the functioning of the claimed invention. These factors are the positioning of the hanging line in the derrick, the length of the spooler and the distance of the eye at the top of the spooler from the longitudinal axis. No person skilled in the art could construct a spooler as disclosed and described in the specifications or a structure such as claimed in claim 2 and have the function included therein without the necessary information as to these factors. Mr. Hambly testified [R. 452] that a spooler to have an inclination of 4 degrees from the vertical or substantially on the axis of the wire cable, inasmuch as the wire cable is inclined 4 degrees from the vertical in a derrick, would have to be 104 inches in length. In so

determining Mr. Hambly assumed that the eye at the top of the spooler was  $3\frac{1}{2}$  inches from the major axis because all of the eyes on the Patterson-Ballagh spoolers in Pltfs. Ex. 10-E and found to infringe are  $3\frac{1}{2}$  inches from the major axis [R. 449].

What we have heretofore said applies equally to claim 2 and to claim 7, held valid but not infringed. In addition, claim 7 is subject to the attack that it uses functional language at the exact point of novelty. As previously pointed out, if there is any novelty in the claims in issue it must reside in an eye adjacent the top of the spooler and eccentric to the major axis and having a hanging line attached thereto and suspended to cause the shell to hang at an inclination substantially parallel to the wire line threaded through it. There is no structure defined in claim 7 which even approaches the definiteness required by Section 33. The language of claim 7 which pertains to the alleged contribution to the art made by Moss reads as follows:

“\* \* \* said suspending means including a device hitched to the shell at a point eccentric to its bore to cause the shell to hang at a desired angle from the vertical; \* \* \*”

This language does not define where the eye to which the hanging line is attached should be located along the bore. It does not specify any particular angle at which the spooler shall be suspended. It merely states that the shell shall be hung at a desired angle from the vertical. There is no definiteness at all as to what is the desired angle. It is a mere functional statement and at the exact point of novelty. Under the cases heretofore cited, the claim is clearly invalid.

In *General Electric Co. v. Wabash Appliance Corp.*, 304 U. S. 364, 82 L. Ed. 1402, 1405, the court in holding a patent invalid (which had previously been sustained by this court in *Anraku v. General Electric Co.*, 80 F. 2d 958), stated:

“\* \* \* Patents, whether basic or for improvements, must comply accurately and precisely with the statutory requirement as to claims of invention or discovery. The limits of a patent must be known for the protection of the patentee, the encouragement of the inventive genius of others and the assurance that the subject of the patent will be dedicated ultimately to the public. \* \* \*”

See:

*Holland Furniture Co. v. Perkins Glue Co.*, 277 U. S. 245, 72 L. Ed. 868, 872, 873.

The court in its opinion [R. 41, 42] paid little attention to this defense, stating:

“We feel that this defense merits little attention. A reading of the Moss patent leaves no doubt that, as required by the statute, the invention has been described so as ‘to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected,’ to make and use the Moss spooler to obtain the results specified.”

This determination of the court is not supported either by the specifications or claims or by the evidence, including the testimony of the patentee Moss. The failure to comply with Section 33 fully justifies this court in reversing the trial court upon the question of validity covered by paragraph II [R. 92] of the amended interlocutory judgment.

## The Date of Invention of the Moss Patent.

An invention to be completed requires a conception of the invention, including a disclosure of said conception to others, and in addition a reduction to practice of the invention which may be either an actual reduction to practice or a constructive reduction to practice by the filing of a patent application. The Supreme Court of the United States in the early case of *Seymour v. Osborne*, 11 Wall. 516, 550, 20 L. Ed. 33, 41, stated:

“\* \* \* in order to constitute an invention, the party must have proceeded so far as to reduce his idea to practice, and embodied it in some distinct form.”

A good statement of the difference between conception and reduction to practice was made by the Court of Appeals for the First Circuit in *Automatic Weighing Mach. Co. v. Pneumatic Scale Corp.*, 166 Fed. 288, 298, wherein the court stated:

“The law appears to be well established that a conception evidenced by disclosure, drawings, and even a model, confers no rights upon an inventor unless followed by some other act, such as actual reduction to practice, or filing an application for a patent. A conception of this character is not a complete invention under the patent laws. It may constitute an invention in a popular sense, but it does not make the inventor the ‘original and first inventor’ under the statutes. If it did constitute an invention under the statutes, then an inventor might stop with his drawings and disclosure, and hold the field for all time against a subsequent inventor who has reduced his invention to practice, or who has obtained a patent. The law will not permit this. An inventor



must not stop with this stage of his invention, but he must proceed with reasonable diligence to perfect his invention, either by actual reduction to practice, or by filing his application for a patent.”

This court has had occasion to consider the question of conception and reduction to practice and has applied the principles laid down by the Supreme Court.

See:

*Hann v. Venetian Blind Corp.*, 111 F. 2d 455.

Other circuits have also considered the same questions:

*Twentieth Century Mach. Co. v. Loew Mfg. Co.*,  
243 Fed. 373 (6 Cir.);

*National Machine Corp., Inc. v. Benthall Mach.  
Co., Inc.*, 241 Fed. 72, 82 (4 Cir.).

The trial court, although not specifically finding or concluding, determined in its opinion [R. 52] that Moss conceived the invention on May 16, 1936 and reduced the same to practice in November, 1936 [R. 55]. The invention which the court determined was reduced to practice was that included in claim 2 in issue. This invention is more than the spooler *per se* and includes side bridles, side arms, counterweights and suspension means. Furthermore, the suspension means must be so connected as to cause the spooler to incline at an angle substantially parallel and contiguous to the wire cable threaded through it. It is obvious that the invention would not be complete unless it was so suspended. A spooler on the ground, even though it had attached side bridles and counterweights and a hanging line free at one end and attached at the other to an eye on the spooler, would have no utility



in such a position. The spooler is only operative when suspended in a derrick and the invention could only be complete when it met the language of claim 2 and was so suspended with accompanying bridles and counterweights.

What is the evidence upon which the trial court determined the date of reduction to practice? The witness Terry was called on behalf of appellees. He was a production superintendent for the Holly Oil Company for whom the patentee Moss was working. He testified [R. 141] that in November, 1936 he furnished a 4 inch diameter pipe to Moss which was about 3 feet in length and that Moss brought it back in about four or five days [R. 142] as a spooler. On cross-examination he admitted it wasn't in a well or rig [R. 143], that it had no counterweights on it and he wasn't sure whether the rubber bearings were inside the shell [R. 143, 144]. Furthermore, it didn't have the side bridle lines. It is, therefore, apparent from the testimony of the witness Terry that the invention as stated in claim 2 in issue was not present when the spooler was shown to Terry in November, 1936. In fact Terry testified that he had nothing to do with the testing of the first actual spooler [R. 142] and that it had never been used when he saw it nor for quite a while afterwards [R. 143]. The appellee Phoebe E. Moss, although she testified [R. 282] that she was present when Mr. Moss made a spooler in 1936 and saw the same, did not describe the construction thereof or what actually was attached to the spooler at that time, for example, side bridles, counterweights, rubber bearings, etc. There is, therefore, no corroboration of the testimony of Mr. Moss as to the construction of the spooler in No-

vember, 1936, much less any testimony that the invention as covered by claim 2 was complete at that time.

Mr. Moss testified that the first spooler which was installed in a well was installed on April 5, 1937 [R. 231]. There is no contention by the appellees that prior to said date a spooler containing the elements specified in claim 2 was suspended in a derrick in the manner stated in claim 2. That the patentee Moss was not fully familiar with the operation of the spooler in a well in November, 1936 is clearly shown by his testimony [R. 175] where he stated:

“Q. Have you ever had any particular special experience with line spoolers such as involved in this case? A. Yes, I know the line spoolers thoroughly.

Q. And how long have you given your attention to understanding the line spooler and knowing its operation? A. Since April the 5th, 1937.”

The invention claimed by Moss was not reduced to practice in November, 1936 and the earliest date which can be established as a reduction to practice of the invention is April 5, 1937, the date when the Moss spooler was first tested in actual operation and the first time when the complete combination of claim 2 was in being. Under the established law there is no support for the court's determination that the invention was reduced to practice in November, 1936.

The court also determined [R. 54] that Moss was diligent from the date of his conception to his reduction to practice. The question of diligence was considered by this court in *Hann v. Venetian Blind Corp.*, *supra*. A

clear statement as to the true rule as to diligence is given by the First Circuit in *Automatic Weighing Mach. Co. v. Pneumatic Scale Corp.*, 166 Fed. 288, 301:

“We understand the true rule to be that a patentee who undertakes to carry back the date of his invention to his drawings and disclosure must show reasonable diligence in adapting and perfecting his invention, either by actual reduction to practice or by filing his application. This rule is supported by the great weight of authority, and we have found no cases which directly hold that this is not the law, although there are some cases in which a patentee has been permitted to carry back his invention to his drawings and disclosure, where the question of diligence was not raised or passed upon. \* \* \*”

The only testimony pertaining to diligence in reducing the invention to practice is that of Mr. Moss. When asked [R. 253, 254] what he did between his date of conception, *i. e.*, May, 1936, and November, 1936, he testified as follows [R. 254]:

“A. At the time I mentioned it to Mr. Anderson, I had it in mind. I didn't do anything until I got the thing pictured in my head how I was going to make it, and November 23, as I said, I went down to Huntington Beach and I got the stuff November 23, 1936. I got the stuff from Mr. Terry to build it with, the gang pushers.

Q. Then, what you actually disclosed to Mr. Anderson in May, 1936, was really the idea of having a spooler. You didn't explain the construction to him, did you? A. Very thoroughly. I explained it very thoroughly.

Q. Why did you have to have all that time to get an idea how you wanted to make it if you had it very thoroughly in mind? A. Well, I wanted to put it on a rig, as I just stated, where I knew somebody and it would get a fair chance, a fair trial.

Q. That is the best answer you can give to the question? A. Yes."

When asked what he did between November, 1936 and April, 1937, he testified as follows [R. 251]:

"Q. All right. Now, my question is, between November 23, 1936, and April 5, 1937, what, if anything, did you do in connection with trying out the spooler? A. I didn't try any because I didn't want to put it on a rig before I knew the men, so it would get a fair chance."

The only excuse which Mr. Moss could give for not reducing the invention to practice was that he wanted to put it on a rig where it would get a fair trial. He was working for the Holly Oil Company at that time under Mr. Anderson, whom he called as a witness. He obtained material for building the spooler from Mr. Terry of the Holly Oil Company and when the spooler was actually installed in a well it was installed in a well of the Holly Oil Company, the concern for whom he was working. Under what better conditions could Mr. Moss test the completed invention than in the well of his employer and in association with people with whom he was friendly? The test of reasonable diligence in adapting and perfecting the invention was not met by Mr. Moss and under the evidence he is not entitled to a date of reduction to practice or to a completion of the invention prior to April 5, 1937. The determination of the court that Moss was

diligent is not supported by the evidence when applied to the established law.

The question necessarily arises in this court's mind, what has this to do with the issues? The answer is that, when the scope of claim 2 is discussed in connection with the infringement of the spoolers shown in Ex. 10-E, the activities of those in the art prior to the date of invention of the Moss Spooler become pertinent.

### **Defendants' Spoolers Do Not Infringe Claim 2.**

The defense of noninfringement was placed in issue by paragraph X of the answer [R. 10]. It was raised on appeal [R. 94] by specifically appealing from paragraph III [R. 92] of the amended interlocutory judgment. It is the position of the appellants that they do not either directly or contributorily infringe claim 2 by the manufacture and sale of spoolers as shown in Pltfs. Ex. 10-E.

The only element of claim 2 which was not embodied in and used in prior art spoolers, for example, Patterson-Ballagh spoolers Defts. Ex. H [R. 555], is the placing of an eye adjacent the top of the spooler and attaching a suspension line to the same, the other end of which is attached to a derrick to cause the spooler to hang so as to be substantially parallel to the axis of the wire line. Claim 2 does not cover a spooler suspended from the top. The claim was necessarily so limited in the Patent Office during the prosecution of the application [file wrapper, Pltfs. physical Ex. 10]. Even if the patentee was entitled to a broader claim, he is precluded from so asserting at the present time. He has dedicated to the public



any other invention which may have been described in the specifications and which was not claimed.

*Miller v. Bridgeport Brass Co.*, 104 U. S. 350, 26 L. Ed. 783;

*Bantz v. Frantz*, 105 U. S. 160, 26 L. Ed. 1013;

*Rip Van Winkle Wall Bed Co. v. Murphy Wall Bed Co.*, 1 F. 2d 673 (9 Cir.), certiorari denied 267 U. S. 594, 69 L. Ed. 804;

*O. H. Jewell Filter Co. v. Jackson*, 140 Fed. 340 (8 Cir.).

The claim cannot now be rewritten by the court nor interpreted to cover more than the invention claimed. Interpreted in the light of the alleged contribution made to the art by Moss, as stated in the specifications of the patent, appellants' spoolers do not infringe because of the following facts:

Reference has heretofore been made, upon the question of the definiteness of the claims and the sufficiency of the description in the specifications, to Defs. Ex. L [R. 569]. It is necessary in discussing the question of infringement to repeat some of the facts heretofore stated. Mr. J. E. Reed testified [R. 310, 311] that the height of oil well rigs used in 1936 and 1937 was 122 feet and 136 feet [R. 310]. The 122 foot derrick had an inside space at the bottom of 24 feet square and a width across the top of 5 feet 6 inches inside measurement [R. 311]. The 136 foot derrick had a bottom measurement of 26 feet square and the same measurement across the top. He further testified that the wire line coming off the crown block and through a pulley was about 8 inches from the side of the derrick at the top [R. 314] and that the cylinder



drum used in 1936 was an 18 inch drum [R. 315] and was adjacent one side of the derrick. There is no dispute as to this testimony. The measurements are corroborated by the API handbook, which is in evidence as Defs. physical Ex. M.

In order to determine the angle of inclination of the wire line from the vertical, Mr. Hambly produced Defs. Ex. L [R. 569]. Fig. 1 thereof shows a derrick wire line cylinder drum and suspended spooler from a line attached to the derrick and a crown block and pulley at the top with the drawing being for a 122 foot derrick and to the scale shown thereon, *i. e.*,  $\frac{1}{4}$  inch to a foot. Mr. Hambly testified [R. 449] that the wire line from the crown block to the derrick was inclined approximately 4 degrees and 16 or 17 minutes from the vertical. The accuracy of the drawing, Fig. 1 of Defs. Ex. L is not disputed.

For the purpose of clearly showing the trial court the angle of inclination that the Patterson-Ballagh spoolers found to infringe would assume when suspended in a derrick, Mr. Hambly included Figs. 2 and 3 in Defs. Ex. L. The measurements and angles shown thereon are not disputed. Fig. 2 shows a Patterson-Ballagh 6-section guide known in the trade as a sextet, and Fig. 3 shows a 4-section guide known in the trade as a quartet. Mr. Hambly testified as to the angle of inclination from the vertical of the 6-section guide [R. 450] finding the same to be approximately 9 degrees and 5 minutes from the vertical and, inasmuch as the wire line is at an angle of inclination of approximately 4 degrees from the vertical, the angle of inclination of the 6-section spooler shown in Fig. 2 would be approximately 5 degrees from the angle

of inclination of the wire line. This determination was made by simple mathematical calculations commonly used to determine angles.

The witness also determined [R. 449] the angle of inclination of the 4-section guide from the vertical, as shown in Fig. 3, and determined the same to be very close to 14 degrees from the vertical and approximately 10 degrees from the inclination of the wire line [R. 450].

In addition, he also determined the inclination of a 2-section spooler found to be infringed but did not show it on the drawing because it was so far away from the axis of the line [R. 451]. The computation to determine the angle of inclination from the vertical, made in the same manner as the angles shown in Figs. 2 and 3, found that a 2-section spooler was at an angle of 30 degrees and some odd minutes from the vertical, or approximately 26 degrees from the inclination of the wire line [R. 451].

Obviously the angle of inclination which the Patterson-Ballagh spoolers found to infringe assumed when suspended in a derrick did not cause them to be parallel with the angle of inclination of the wire line inasmuch as the 6-section spooler shown in Fig. 2 was approximately 5 degrees therefrom, the 4-section spooler shown in Fig. 3 was approximately 10 degrees therefrom and the 2-section spooler, not shown in Ex. L, was approximately 26 degrees therefrom.

The trial court determined in its opinion and by its findings, conclusions and judgment, that the word “substantially” in claim 2 was entitled to an interpretation which would include these divergent angles of inclination. Although the computations are not disputed and in fact admitted by counsel for appellees [R. 446], the

court in its opinion [R. 57] labeled the computations as inconclusive and in the nature of *ex parte* tests. The measurements shown in Ex. L are admitted to be accurate and were made in accordance with established mathematical principles. The fact that the drawing was made outside the court room or inside the court room would be immaterial. In fact appellees' counsel, recognizing this fact, admitted the accuracy of Defs. Ex. L.

In further discrediting Mr. Hambly's testimony, the court [R. 57] apparently assumed that the length of the hanging line would in some manner affect mathematical calculations. The court failed to appreciate that Mr. Hambly was determining the angle of inclination of a wire line spooler and particularly the angle which it would normally assume when suspended and free to incline. The length of a hanging or suspending line would not affect the normal angle of inclination of a body suspended at the top in the manner shown in Defs. Ex. L [R. 477, 478].

Furthermore the determination of the court that the word "substantially" was sufficiently broad to include the appellants' spoolers is not in accordance with the testimony of the patentee Moss. He stated [R. 237] that the spooler when suspended should be within 2 or 3 degrees of the axis of the wire line:

"Q. Attach it up above, is so that, regardless whether the line is through the spooler or not, it would turn at the same longitudinal angle as the axis of the wire which would be passing through it ordinarily? A. Yes, within two or three degrees.

Q. Within two or three degrees? A. Yes."

The determination of the court, in addition, is not in accordance with the statement of appellees' counsel [R. 467], nor is it in accordance with the specifications of the patent in suit as heretofore quoted at page 17. It would appear almost to be an absurdity to state that a spooler, *i. e.*, the 2-section spooler of Patterson-Ballagh, inclined at an angle of 30 degrees from the vertical or 26 degrees from the axis of the wire line would be substantially parallel to the wire line. It is suggested that the interpretation of the court of the word "substantially" in claim 2 was predicated upon and due to the statement of the court appearing in the opinion [R. 23] and reading as follows:

"\* \* \* Counsel are also agreed that the question before us is whether Moss' hanging line at the top constitutes invention."

The claims of a patent should be construed and interpreted in the light of the specifications and drawings. This court so held in *Keszthelyi v. Doheny Stone Drill Co.*, 59 F. 2d 3, at p. 6, stating:

"The law is well settled that, although the claims of a patent may be construed and interpreted by reference to the drawings and specifications, they may not thereby be enlarged. *Yale Lock Mfg. Co. v. Greenleaf*, 117 U. S. 554, 6 S. Ct. 846, 29 L. Ed. 952; *White v. Dunbar*, 119 U. S. 47, 7 S. Ct. 72, 30 L. Ed. 303; *Howe Machine Co. v. National Needle Co.*, 134 U. S. 388, 10 S. Ct. 570, 33 L. Ed. 963; *McCarty v. Lehigh Valley R. Co.*, 160 U. S. 110, 16 S. Ct. 240, 40 L. Ed. 358."

See also:

*Smith v. General Foundry Mach. Co.*, 174 F. 2d 147, 150, 4 Cir.

Claims should be so interpreted even though they include the word “substantially.” In *General Electric Supply Corp. v. Maytag Co.*, 100 F. 2d 218, the Court of Appeals for the Eighth Circuit, at page 223, held that the use of the adjective “substantial” in a claim did not cause the claim to violate the provisions of Sec. 33 Title 35 because claims should be considered in connection with the disclosures in the drawings and specifications and the word “substantially” added nothing thereto.

This holding is in accordance with the *Eibel Process Co. v. Minnesota & Ontario Paper Co.* case, 261 U. S. 45, 67 L. Ed. 523. In *Musher Foundation, Inc. v. Alba Trading Co., Inc.*, 150 F. 2d 885, the Court of Appeals for the Second Circuit, at 889, citing the *Eibel Process* case, stated that the word “substantially” was implied in every claim and that it adds nothing when it is therein. See also: *Plant Products Co. v. Charles H. Phillips Chemical Co., Inc.*, 16 Fed. Supp. 553, wherein the word “substantially” in the claims was interpreted (p. 556) in accordance with the specifications of the patent and the teachings thereof.

The foregoing cases establish that claims may be construed by reference to the drawings and specifications but not enlarged thereby and that the use of the word “substantially” in a claim does not change the test to be applied in interpreting or construing a claim.

The question before the trial court upon the issue of infringement was whether claim 2 in issue was infringed. That is, whether or not the accused structures although not meeting the actual language of the claims came within the invention of the claims as interpreted but not enlarged by the specifications and drawings. The doctrine of equivalency in patent law is resorted to to determine



this question. The test to be applied in determining equivalency was clearly set forth in *Electric Protection Co. v. American Bank Protection Co.*, 184 Fed. 916, 923, 8 Cir., wherein the court stated:

“\* \* \* To sustain the charge of infringement the infringing device must be substantially identical with the one alleged to be infringed in (1) the result attained; (2) the means of attaining that result; and (3) the manner in which its different parts operate and co-operate to produce that result. If the devices are substantially different in either of these respects the charge of infringement is not sustained. *Machine Co. v. Murphy*, 97 U. S. 120, 24 L. Ed. 935; *Eames v. Godfrey*, 1 Wall. 78, 17 L. Ed. 547; *National Hollow B. B. Co. v. Interchangeable B. B. Co.*, 106 Fed. 693, 45 C. C. A. 544; *Adams Electric Railway Co. v. Lindell Ry. Co.*, 77 Fed. 432, 23 C. C. A. 223. \* \* \*

The Eighth Circuit in this decision was following the Supreme Court of the United States in:

*Field v. De Comeau*, 116 U. S. 187, 29 L. Ed. 596;

*Yale Lock Mfg. Co. v. Sargent*, 117 U. S. 373, 29 L. Ed. 950;

*Westinghouse v. Boyden Power Brake Co.*, 170 U. S. 537, 568, 569, 42 L. Ed. 1136.

This court in *Grant v. Koppl*, 99 F. 2d 106, 110, applied the doctrine of equivalency in affirming the district court in holding the patent in suit not infringed because of a difference in mode of operation and also an equivalency of means.



The accused structures, Pltfs. Ex. 10-E, as conclusively shown by the testimony of Mr. Hambly, are not parallel when inclined to the axis of the wire line. The result to be obtained by the patent as described in the specifications, and heretofore quoted at page 17, therefore, is not and cannot be obtained by appellants' spoolers for the reason that the angular divergence of appellants' spoolers from the axis of the wire line, varying from 5 degrees to 26 degrees, would necessarily impose a noticeable resistance on the wire line and would be outside the range of equivalents voluntarily imposed by the patentee Moss, that is 2 or 3 degrees from the axis of the wire line.

The court in its opinion [R. 61, 62] in the face of the express language of the specifications and the admission of the patentee Moss has found identity as to means and also as to result and mode of operation. The court in so determining used only general language and it was not pointed out or shown where there was identity of means, result or mode of operation. Appellants' spoolers, as shown in Pltfs. Ex. 10-E, did not result in the spoolers being suspended at an angle of inclination which would cause them to be parallel to the wire line as the word "parallel" must be interpreted in the light of the specifications and drawings and in the light of the admission of the patentee Moss. A construction of the claim to include appellants' spoolers would be enlarging the same and would be contrary to the holding of this court in *Keszthelyi v. Doheny Stone Drill Co.*, *supra*. Furthermore, there is not identity as to mode of operation because the distance of the eye at the top of appellants' spoolers from the major axis, together with the length of the spoolers, causes said spoolers to assume such an angle of inclination that noticeable resistance is imposed on the wire line.

If the trial court had considered the claims in issue as combination claims and had properly applied the law as to the interpretation of claims and the test of equivalency as laid down in the foregoing cases, appellants are of the opinion that it would not have erred in its finding of infringement.

Furthermore, the finding of the trial court as to infringement enlarges claim 2 so as to give it such a scope that it would be invalid in view of prior art spoolers. It is a fundamental principle of patent law that that which infringes, if later, anticipates if earlier, or as otherwise stated, the field of prior use must be at least as broad as the field of infringement.

*Peters v. Active Mfg. Co.*, 129 U. S. 530, 537,  
32 L. Ed. 738;

*Knapp v. Morss*, 150 U. S. 221, 228, 37 L. Ed.  
1059;

*American Safety Table Co. v. Singer Sewing Mach.  
Co.*, 95 F. 2d 543, 3 Cir.; certiorari denied:  
305 U. S. 622, 83 L. Ed. 397;

*National Lock Washer Co. v. George K. Garrett  
Co., Inc.*, 98 F. 2d 643; certiorari denied: 305  
U. S. 649, 83 L. Ed. 420.

In July 1936 Reserve Oil Company purchased spoolers from Patterson-Ballagh Corporation [R. 380-383]. Invoices and orders covering the same are in evidence Defs. Ex. I [R. 557-561]. The Patterson-Ballagh spoolers covered by Defs. Ex. I are shown in Defs. Ex. H [R. 555]. Mr. Ballagh, president of Patterson-Ballagh Corporation, took a photograph of one of these spoolers suspended in a well of the Reserve Oil Company [R. 385, 386]. The date of taking said photograph was fixed by

Mr. Ballagh as August 5, 1936 [R. 386]. A print of the photograph showing a Patterson-Ballagh spooler suspended in a Reserve Oil Company well is in evidence as Defs. Ex. K [R. 568].

This spooler, as shown in the photograph, was suspended at the top of the spooler by two lines which were attached to eyes at the top of the spooler and which are more clearly shown in Defs. Ex. H [R. 555]. The side arms and bridles are clearly shown and also the wire line through the spooler. Mr. Ballagh testified [R. 388, 389]:

“Q. Does that (referring to Defs. Ex. K) correctly depict the way that the spooler was hung in the well? A. Yes, sir.

Q. From the two hanging lines at the top, is that correct? A. Yes, sir; that is right.”

The court refused to accept the photograph as evidence that a Patterson-Ballagh spooler was suspended from the top by a hanging line in August 1936 as shown in Ex. K. In its opinion [R. 36] it gave as one of the reasons that Mr. Ballagh was evidently confused at the trial between hanging lines and safety lines.

It is obvious that a hanging line also functions as a safety line and to prevent the spooler from crashing down on the derrick floor if there were no other means to support it other than the hanging line. There was no confusion in the testimony of Mr. Ballagh upon this point, as clearly shown [R. 139]. Mr. Moss, the patentee, testified [R. 264] that no oil man or driller with any ability would put up a spooler without a hanging line because if the hanging line were not there and functioning as a safety line the spooler would not be supported.

No other line is shown in Ex. K which functions as a safety line other than the hanging lines attached at the top of the spooler. These lines function as both hanging lines and safety lines. It is submitted that the photograph Defs. Ex. K clearly shows the use of hanging lines at the top of a spooler.

What is the angle of inclination of a spooler having hanging lines at the top in the manner shown in Ex. K? This angle was determined by Mr. Hambly. Fig. 4 of Defs. Ex. L [R. 569] is a side view of a Patterson-Ballagh 4-section spooler hung from the two eyes at the side to which the upper forks of the side bridles are attached [R. 452]. This is in accordance with the hanging of the Reserve Oil Company spooler. The effect of hanging the spooler from two eyes which are diametrically opposite the axis is to have the spooler assume a vertical position as shown in Fig. 4 [R. 452]. When so suspended the angular deviation from the axis of the wire line is 4 degrees or less than the angular deviation in the case of any of the appellants' spoolers found to infringe [R. 452]. There is no question but that a spooler suspended at the top, in the manner shown in Defs. Ex. K and also in Fig. 4 of Defs. Ex. L, would impose noticeable resistance on the wire line. Such resistance may be noted on Ex. K wherein the spooler is attempting to assume a vertical position when the wire line is threaded through it. This court is certainly as able as the trial court to determine from an examination of Defs. Ex. K whether the spooler has a hanging line at the top.

The finding of infringement by the trial court would include that which was in the art prior to the date of the Moss invention, even as fixed by the court as November, 1936. When the date of the reduction to practice of the

Moss invention is properly found to be April 5, 1937, the disclosure of Smith patent 2,211,299, filed January 4, 1937, Defs. Ex. E [R. 551], becomes prior art, having a date of reduction to practice as of the filing date of the application, January 4, 1937. This patent discloses in the specifications and clearly shows in Figs. 1 and 2 of the drawings hanging lines 50 which are suspended at one end to the side arms of the spooler 61 and the other end of which is attached to a girt in the derrick vertically upward. The difference in angle of the wire line and the hanging line 50 is clearly shown in Fig. 2. This angle for the height of derrick, known to those skilled in the art, would be 4 degrees as shown in Fig. 4 of Defs. Ex. L and by the testimony of Mr. Hambly [R. 452]. The cables 15 are included in the claims of the Smith patent and are described as extending downward *substantially* parallel to the cable to be guided. In discussing this patent, the court [R. 46] could see no similarity to the spooler shown in the Moss patent "except that the Smith device, as well as the Reed device, and the Moss device, each has a hanging line or lines."

The Smith patent was not pleaded in anticipation of the Moss patent. It was pleaded as prior art and the court failed to note that the particular feature of the Smith patent which was pertinent, *i. e.*, the hanging line, was at an angle substantially parallel to the spooler shown therein, as specifically set forth in the claims. If this court should determine that the Smith patent was a publication prior to the date of the Moss invention, the disclosure



therein prevents a holding of infringement as to structures which have an angular deviation from the wire line greater than that of the hanging lines shown in the Smith patent.

The "Reed device" referred to by the court in its decision [R. 46] was a spooler testified to by J. E. Reed as having been constructed under his direction in 1936 [R. 324]. The spooler was a wooden spooler about 18 inches long having a side bridle and counterweights [R. 322]. The means to suspend the wooden spooler is shown in Defs. Ex. B, a sketch drawn by Mr. Reed [R. 546]. As testified to by Mr. Reed [R. 328], the same loop was used on the wooden spooler as was used on a subsequent spooler used in another well of Union Oil Company, *i. e.*, Belridge No. 20, in June or July, 1936. The sketch, although a rough one, shows a spooler, side bridles, a safety line at the bottom and a hanging line attached at the top of the spooler. This hanging line was described by Mr. Reed [R. 322, 323] and as shown in the sketch the two ends of the loop of the hanging line were attached on sides of the spooler opposite the major axis and went up for about 6 feet [R. 323]. Thereafter a single line ran from the top of the loop up to the third girt from the center of the spooler or approximately 21 feet [R. 323] and with the top line just tight enough to hold the spooler level across [R. 323].

Mr. Reed also described a hanging line of a subsequent spooler which was used on Gibson No. 7 of the Union Oil Company in August, 1936 [R. 331]. Mr. Reed made a



sketch of this spooler Defs. Ex. C [R. 547]. The spooler used on Gibson No. 7 was a piece of pipe about 22 inches long [R. 330] or long enough to hold rubber bearings. Defs. Ex. C shows a spooler with side bridles and counterweights and a hanging line 1 formed of a loop for approximately 8 to 10 feet up from the top of the spooler [R. 331]. The line 1 constituting the loop portion ran through a pulley 2 and was fastened at the lower ends to eyes at the top of the spooler. A single line ran from the pulley 2 up to another pulley on the derrick and approximately 21 feet up [R. 331]. The line was reeved through this pulley and hung on the outside of the derrick and attached thereto was a counterweight 5.

The hanging lines shown in both Defs. Exs. B and C functioned to suspend the spooler in a vertical position when the spooler was in its normal position and did not have the wire line therethrough. When so suspended, the angle of inclination of the suspended spooler would be 4 degrees from the axis of the wire line. This is necessarily so because spoolers suspended in the manner shown in Defs. Exs. B and C would normally hang vertically and, with the angle of inclination of the wire line 4 degrees from the vertical, the resistance which would be applied to the wire line when threaded through the spooler would be the resistance which would be imposed because of the difference of angular inclination, *i. e.*, 4 degrees.

That the spooler in the Reserve Oil Company well as shown in Defs. Ex. K, the spooler shown in the Smith patent Defs. Ex. E [R. 551] and the spooler described

by the witness Reed and illustrated in the sketches Defs. Exs. B and C, should be so suspended, *i. e.*, vertically, is only in accordance with that which would be expected in this art and by men skilled in the art.

Furthermore, it is in accordance with the disclosure in the Moss patent where there is clearly shown in the drawings the eyes 17<sup>a</sup> adjacent the top of the spooler and on the diverging arms attached to the shell. As stated in the patent, p. 2, col. 2, lines 60-63:

“The upper limb portions of the arms 17 are provided with eyes 17<sup>a</sup> for the attachment of suspending lines if such an arrangement is more adaptable to given cases of operation.”

The only purpose of the eyes 17<sup>a</sup> is to attach suspending lines in the manner shown in the Reserve Oil Company well, in the manner described by Reed and in the manner shown in the Smith patent. Said disclosure only emphasizes that the patentee Moss in the specifications and in the claims was limiting his invention to a spooler suspended from an eye at the top and eccentric to the major axis and attached to a derrick in such a manner that the spooler would incline at an angle, when normally suspended, substantially parallel to the axis of the wire line. In view of the prior art structures and publications and in view of the disclosure in the Moss patent hereinabove quoted, claim 2 if given a scope sufficient to include appellants' spoolers would be invalid. As previously stated, that which would infringe if later, anticipates if earlier.

### Attorneys' Fees and Wilful Infringement.

The court in its opinion [R. 64] determined that plaintiffs should have judgment for attorneys' fees and left open the finding on the question of wilful infringement. Subsequent to the opinion and within the time specified, *i. e.*, twenty days, briefs and written arguments were filed on the question of wilful infringement. Subsequent to the filing of proposed findings by the plaintiffs, objection was made both to the award of attorneys' fees and to an increase of damages for wilful infringement [R. 70, 71]. A memorandum was filed upon the question of attorneys' fees.

Thereafter the court filed a memorandum on objections to findings and conclusions and [R. 82] stated it would make no findings or conclusions respecting wilful infringement or attorneys' fees until after the report of the special master was presented. In accordance therewith the findings of fact [R. 86] reserved the question of wilful infringement and attorneys' fees and such reservation was included in the judgment [R. 93] in paragraph VII.

Upon the question of attorneys' fees, it was the position of appellants before the trial court and is the position here that attorneys' fees should not be granted as a matter of right pursuant to the provisions of Section 70 of Title 35. Appellants did not have before them at that time the decision of this court in *Park-In Theatres, Inc. v. Perkins et al.*, 190 F. 2d 137. The appellants, however, did have available the history of the amendment of Section 70 in Congress and also the cases of *Hall v. Keller*, 81 Fed. Supp. 835, 836; *Lincoln Electric Co. v. Linde Air Products Co.*, 74 Fed. Supp. 293, 294; and *Union National Bank of Youngstown, Ohio v. Superior Steel Corp.*, 9 F. R. D.

117. All of said cases are in accordance with the decision of this court in the *Park-In Theatres* case.

This is an ordinary case for patent infringement. There are no facts shown by the record which would justify the trial court in awarding attorneys' fees to the prevailing party, either appellants or appellees. Under the facts and in view of the law as established in this Circuit by the *Park-In Theatres* case, no attorneys' fees should be allowed pursuant to the provisions of Section 70.

There is no reason whatsoever for the court reserving the question of attorneys' fees until after the accounting. The reference to a master does not include the power of the master to pass on this particular question. In fact paragraph VII of the judgment [R. 93] specifically reserves that issue to the court. Interlocutory judgments, and particularly in patent cases, should be final except for the accounting. In fact Section 1292(4) of Title 28 covering the jurisdiction of this court in patent causes specifies that this court shall have jurisdiction of patent infringement cases which are interlocutory and are final except for the accounting.

Appellants fully appreciate that they probably have a right in appealing from the final judgment after accounting to challenge any attorneys' fees which may be awarded. It is submitted, however, that the better practice and the practice which should be followed by the district courts is to determine whether attorneys' fees should be awarded from the record before the court at the time the interlocutory judgment is entered.

The provisions of Section 70 of Title 35 USC, as amended August 1, 1946, confer authority upon the trial court to increase the assessed damages in case of wilful infringe-

ment. Section 70 does not provide that damages shall be increased up to treble damages because of wilful infringement but gives the court the right in its discretion to increase the damages.

The evidence in this case shows that the appellant Patterson-Ballagh Corporation prior to the filing of the application for the Moss patent in suit and without knowledge of Moss' invention or activities began using a hanging line from an eye adjacent the top of the spooler. Subsequent to the issuance of the patent, a notice of infringement was forwarded to said corporation but apparently nothing further was done by the patentee Moss until around March 1942 when an offer was made to sell the patent. Thereafter a letter was written to Mr. Moss which is in evidence as Pltfs. Ex. 19 [R. 537]. Thereafter Mr. Moss again contacted Mr. Ballagh, president of Patterson-Ballagh Corporation, and was told that the corporation would abide by the advice of its counsel [R. 406]. Mr. Moss was given no assurance at that time that there would be any settlement of his claim of infringement or any purchase of the patent. The infringement action was not filed until July 18, 1946, more than six years subsequent to the notice of infringement.

There is no evidence in the record that either of the appellants have ever passed off any of their spoolers as Moss spoolers or that there were any acts of unfair competition or otherwise present which might aggregate the infringement found by the court. Frequently parties may attempt to settle claims for infringement which are subsequently resolved in court. The issues of validity and infringement as presented in this case are highly debated. The trial court found it necessary to call upon the parties to orally argue the case, to brief the same and



thereafter to call upon opposing counsel to reargue the case.

Appellants can find no facts in the present record which would justify the trial court to exercise its discretion and award increased damages. The use of the word “wilful” in Section 70 does not mean knowingly. It means a course of action by the appellants which is so far above that in the ordinary patent case that the court would be justified in finding wilful infringement.

We find no case by this court directly in point and upon the question of wilful infringement or reserving this issue. The following cases are to the effect that there should be a course of action by the appellants either by unfair competition, passing off, bald copying, etc., as to justify the court in increasing the damages. No such facts appear in the present case and appellants relied upon legal counsel to advise them and they were governed by such advice.

Furthermore, the appellants had a license under Reed patent 2,238,398, Pltfs. Ex. 2 [R. 518]. This patent was directed to solving the major problem of the lateral whipping of the wire line and the claims allowed covered a structure which solved said problem.

In *Enterprise Mfg. Co. v. Shakespeare Co.*, 141 F. 2d 916, 920, 921, 6 Cir., the court on appeal had before it the question of wilful infringement which it disposed of as follows:

“To question the validity of a patent does not, of itself, constitute wilful infringement. *General Motors Corporation v. Dailey*, 6 Cir., 93 F. 2d 938, 942. If honestly mistaken as to a reasonably debatable question of validity, an infringer should not be made to smart in punitive damages. Compensatory damages constitute adequate remuneration for in-

vasion of a patentee's property rights, unless the refusal of the infringer to bow to the presumptive validity of an issued patent is consciously wrongful.  
\* \* \*

In the case of *General Motors Corporation v. Dailey*, 93 F. 2d 938, referred to in the foregoing quotation, the court stated (p. 942):

“\* \* \* Simply questioning the validity of the patent does not constitute wilful infringement. *Brown Bag-Filling Machine Co. v. Drohen*, 175 F. 576 (C. C. A. 2); *Toledo Computing Scale Co. v. Moneyweight Scale Co.* (C. C.) 178 F. 557, affirmed 187 F. 826 (C. C. A. 7). The protracted delay in the litigation is chargeable to appellee, who did not bring suit until more than two years after the expiration of the patent and sued at law when it should have filed a bill in equity.”

In *Brown Bag Filling Mach. Co. v. Drohen*, 175 F. 576, the Court of Appeals for the Second Circuit had before it the question of increased damages under Section 70, which as then worded was substantially the same as it now reads. The court at page 577, in denying such damages, stated:

“\* \* \* It is further argued that if it elects to receive damages the court should treble the amount under the provisions of section 4921 of the Revised Statutes (U. S. Comp. St. 1901, p. 3395). Regarding the latter contention we may say that we do not regard the present case as one warranting the application of the statute. We have recently had occasion to examine this question in the case of *Fox v. Knickerbocker Co.*, 165 Fed. 442, 91 C. C. A. 386, and although we sustained the action of the Circuit

Court as within its discretion, we intimated that had the question been presented to this court in the first instance the damages would not have been increased. In the Fox Case no testimony showing the invalidity of the patent was introduced and infringement was admitted. It was a bald case of piracy accompanied by circumstances indicating an intention to injure and delay the complaint.

“This record presents no such features; it shows the usual conditions obtaining in patent causes. The defenses—lack of novelty and invention, non-infringement and insufficient description—presented debatable questions, and it cannot be said that the defendant’s course was actuated by malice or bad faith.  
\* \* \*”

See also:

*Remington Rand, Inc. v. Art Metal Const. Co.*, 34 F. 2d 693, 698;

*Creagmile v. John Bean Manufacturing Co.*, 45 USPQ 28, 32, 33;

*Toledo Computing Scale Co. v. Moneyweight Scale Co.*, 178 Fed. 557.

In the *Creagmile v. John Bean* case, Judge McCormick reviewed the findings of a special master, which included findings recommending increased damages. Judge McCormick in allowing the exceptions of the defendants to the report on this question stated:

“Defendants’ objection 36 to the special master’s report is sustained for the reasons assigned in the foregoing memorandum. There is no basis for a finding of deliberate, willful and flagrant infringement so as to form a basis for extraordinary or punitive damages.”

The trial court has reserved the question of wilful infringement and has not delegated authority to the special master to make any findings thereon. All of the facts upon which the question of wilful infringement should be concluded by the trial court are in the record. Under the law as established in the foregoing cases as applied to the facts, included in the record before the trial court and now before this court, it would have been an abuse of discretion for the trial court to enter a judgment that the damages as finally determined on an accounting should be increased pursuant to the provisions of Section 70. With all the facts before it necessary to resolve the question of wilful infringement, this court should so determine.

### Conclusion.

The appellants submit that the record on appeal upon the question of validity of the Moss patent in suit, as found by the trial court in paragraph II of the amended interlocutory judgment [R. 92], shows conclusively that the trial court clearly erred in said finding and that the same should be set aside. The record on appeal clearly establishes that the Moss patent in suit, and particularly claims 2 and 7 thereof, are invalid because:

1. The alleged invention of the claims in issue amounts to nothing more than the exercise of mechanical skill and was obvious to anyone skilled in the art.

2. The patentee Moss failed to comply with the provisions of Section 33 of Title 35, U. S. C., in that there is not sufficient disclosure in the specifica-

tions to enable one skilled in the art to construct and operate the alleged invention and the claims in issue are not sufficiently definite in setting forth the invention.

3. The claims in issue, if broadly construed, are covered by structures and devices used in the art prior to the date of the Moss invention.

4. Each and every of the elements of the claims in issue, both separately and in combination, function in the same manner in said claims that they would function in prior art devices and structures and the resultant of said combination claims is the same as the resultant of the elements when used separately.

The appellants, upon the question of infringement, submit that appellants' spoolers as shown in Pltfs. Ex. 10-E do not infringe claim 2 of the Moss patent because:

1. Each and every of appellants' spoolers found to infringe by paragraph III of the amended interlocutory judgment [R. 92] do not embody the combination of elements included in claim 2.

2. Appellants' spoolers found to infringe, and each of them, do not obtain the same result as the combination of elements of claim 2 for the reason that noticeable resistance is imposed on the wire line by all of appellants' spoolers as contrasted with absence of noticeable resistance on the line allegedly obtained by the combination of elements of claim 2.

3. Appellants' spoolers found to infringe, and each of them, when suspended and in use have a different mode of operation than the combination of elements



of claim 2, which covers the suspension of the spooler included therein.

4. Claim 2 when interpreted in the light of the specifications and drawings, and without being enlarged by such interpretation, is so limited that it does not cover the combination of elements of appellants' spoolers.

The appellants further submit that with respect to the question of validity the trial court failed to apply the test of infringement of combination claims laid down by the Supreme Court in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 95 L. Ed. 162, 340 U.S. 147. and that with respect to the question of validity the trial court failed to consider claim 2 as a combination claim and to determine that question upon the record in view of the established cases governing the law as to equivalents.

The amended interlocutory judgment [R. 92, 93] should be reversed as to paragraphs II, III, V and VI, and that paragraph VII should be reversed upon the questions of wilful infringement and attorneys' fees.

Respectfully submitted,

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